GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:903
ANSWERED ON:17.08.2007
INDUSTRIES UNDER COST AUDIT
Barman Shri Hiten;Bose Shri Subrata

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether all the industries are not covered under Cost Audit;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Chocolates produced by Multinational Companies are out of purview of Cost Audit;

(d) if so, the reasons therefor; and

(e) the steps being taken to bring Chocolates and other consumer items producing companies under the purview of Cost Audit?

Answer

MINISTER OF CORPORATE AFFAIRS (PREM CHAND GUPTA)

(a) & (b): In exercise of its powers under section 233B of the Companies Act, 1956, the Central Government issues Cost Audit Orders on select companies, where it considers necessary, covered in the list of 44 industries as per Annexure enclosed for which Cost Accounting Record Rules (CARR) have been prescribed under section 209 (1) (d) of the Act. The intent of the legislative provision provides discretion to the Central Government in the matter and the statute does not imply mandatory application to all industries.

(c) & (d): No discrimination is made between domestic and multinational companies producing, processing or manufacturing various items for the purpose of issue of cost audit orders.

(e): The Central Government examines the application of provisions relating to Cost Audit under the Companies Act, 1956 to companies producing different kinds of items depending upon need and issues appropriate orders from time to time.

ANNEXURE

Annexure referred to in reply to part (a) & (b) of the Lok Sabha Un-Starred Question No.903

LIST OF INDUSTRIES COVERED UNDER SECTION 209 (1) (d) OF THE COMPANIES ACT, 1956

Sno.	Name of the Industry
1	Cement
2	Cycles
3	Tyres & Tubes
4	Air-Conditioners
5	Refrigerators
6	Batteries other than Dry Cell Batteries
7	Electric Lamps
8	Electric Fans
9	Electric Motors
10	Motor Vehicles
11	Aluminum
12	Vanaspati
13	Bulk Drugs
14	Sugar
15	Industrial Alcohol
16	Jute Goods
17	Paper
18	Rayon
19	Dyes
20	polyester
21	Nylon
22	Textiles
23	Dry Cell Batteries

24 Steel Tubes and Pipes
25 Engineering
26 Electric Cables and Conductors
27 Bearings
28 Milk Food
29 Chemicals
30 Formulations
31 Steel Plant
32 Insecticides
33 Fertilizers
34 Soaps & Detergents
35 Cosmatics & Toiletries
36 Footwear
37 Shaving Systems
38 Industrial Gases
39 Mining and Metallurgy
40 Electronic Products
41 Electricity
42 Plantation Product
43 Petroleum Industry
44 Telecommunication